

AMENDED IN SENATE JULY 1, 1997
AMENDED IN ASSEMBLY APRIL 15, 1997
AMENDED IN ASSEMBLY MARCH 31, 1997

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 339

**Introduced by Assembly Members Takasugi and Wildman
(Coauthor: Assembly Member Sweeney)**

February 18, 1997

An act to amend Section 30055 of the Government Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 339, as amended, Takasugi. Sales and use taxes: revenue allocation: local public safety services.

Existing law requires that revenues derived from a specified state sales and use tax rate imposed by the California Constitution be apportioned to certain counties, to be allocated to cities within those counties for the funding of local public safety services, as defined. Existing law generally requires, for the 1996–97 fiscal year and each fiscal year thereafter, that each recipient county allocate these sales and use tax revenues to those cities within its boundaries that provide public safety services in accordance with an allocation factor determined as a ratio for each of those cities in accordance with a specified formula. The formula contains a specified percentage cap that limits the size of this ratio.

~~This bill would modify the formula for computing each city's allocation factor by removing this percentage cap, and would instead establish a similar percentage cap that directly limits the amount of revenue to be allocated to each city. By imposing new duties with respect to the allocation of sales and use tax revenues within certain counties for the 1996-97 fiscal year, this bill would impose a state-mandated local program.~~

This bill would eliminate this general allocation requirement, and would require, commencing with September 1997, that each recipient city be allocated a reconciliation amount, as defined, in 36 monthly installments. This bill would also generally require, for the 1997-98 fiscal year and each fiscal year thereafter, that each recipient city be allocated an amount determined in accordance with the portion of revenues that was allocated to that city for the 1995-96 fiscal year. By imposing new duties with respect to the allocation of sales and use tax revenues within certain counties, this bill would impose a state-mandated local program. The bill would also establish a specific allocation formula, including provisions for the allocation of reconciliation amounts, as defined, for cities within Los Angeles County.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

This bill would provide that it would be operative only if AB 334 of the 1997-98 Regular Session is enacted and becomes effective on or before January 1, 1998.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 30055 of the Government Code~~
2 ~~is amended to read:~~

3 ~~30055. For the 1996-97 fiscal year and each fiscal year~~
4 ~~thereafter, each county shall establish a Public Safety~~
5 ~~Augmentation Fund in the county treasury to receive~~
6 ~~those revenues allocated to the county pursuant to~~
7 ~~Sections 30052 and 30053. Amounts deposited in this fund~~
8 ~~shall be expended exclusively to fund public safety~~
9 ~~services, and for that purpose shall be allocated among~~
10 ~~the county and the cities in the county that provide public~~
11 ~~safety services, as follows:~~

12 ~~(a) (1) For purposes of determining the amounts to~~
13 ~~be allocated to cities, the auditor shall, except as~~
14 ~~otherwise provided in subdivision (b), (c), or (d), and~~
15 ~~subject to the allocation limit set forth in paragraph (2),~~
16 ~~multiply the monthly amount allocated to the county~~
17 ~~pursuant to subdivision (a) of Section 30053 by an~~
18 ~~allocation factor for each city, calculated as follows:~~

19 ~~(A) The numerator shall be the difference between~~
20 ~~the amount of ad valorem property tax revenue shifted~~
21 ~~from that city to the county's Educational Revenue~~
22 ~~Augmentation Fund pursuant to Section 97.3 of the~~
23 ~~Revenue and Taxation Code for the 1993-94 fiscal year,~~
24 ~~and the amount of vehicle license fee revenues allocated~~
25 ~~to the city pursuant to Section 11005.4 of the Revenue and~~
26 ~~Taxation Code for the 1993-94 fiscal year.~~

27 ~~(B) The denominator shall be the amount of ad~~
28 ~~valorem property tax revenue shifted from the county~~
29 ~~and all cities in the county to the county's Educational~~
30 ~~Revenue Augmentation Fund pursuant to Section 97.3 of~~
31 ~~the Revenue and Taxation Code for the 1993-94 fiscal~~
32 ~~year, less the amount of vehicle license fee revenues~~
33 ~~allocated to the county and all cities in the county~~
34 ~~pursuant to Section 11005.4 of the Revenue and Taxation~~
35 ~~Code for the 1993-94 fiscal year.~~

36 ~~(2) Notwithstanding the calculations required by~~
37 ~~paragraph (1), in no event shall the allocation~~
38 ~~determined for a city pursuant to this subdivision exceed~~

1 ~~50 percent of the difference between the following~~
2 ~~amounts:~~

3 ~~(A) The amount by which the city's allocation of~~
4 ~~property tax revenues was reduced pursuant to Section~~
5 ~~97.3 for the 1993-94 fiscal year.~~

6 ~~(B) The amount of vehicle license fees allocated to the~~
7 ~~city pursuant to Section 11005.4 of the Revenue and~~
8 ~~Taxation Code for the 1993-94 fiscal year.~~

9 ~~(b) Notwithstanding subdivision (a), the amount in~~
10 ~~the augmentation fund established pursuant to this~~
11 ~~section in each county described in paragraph (3) shall be~~
12 ~~allocated to the cities in that county that provide public~~
13 ~~safety services, as follows:~~

14 ~~(1) The auditor shall determine an allocation factor for~~
15 ~~each city within the county, the numerator of which shall~~
16 ~~be the amount of the revenue shifted from that city to the~~
17 ~~Educational Revenue Augmentation Fund pursuant to~~
18 ~~Section 97.3 of the Revenue and Taxation Code for the~~
19 ~~1993-94 fiscal year, and the denominator of which shall be~~
20 ~~the amount of revenue shifted from all cities in the county~~
21 ~~to the Educational Revenue Augmentation Fund~~
22 ~~pursuant to Section 97.3 of the Revenue and Taxation~~
23 ~~Code for the 1993-94 fiscal year.~~

24 ~~(2) The auditor shall multiply 5 percent of the amount~~
25 ~~in the augmentation fund established pursuant to this~~
26 ~~section by the allocation factor determined for each city~~
27 ~~in paragraph (1). The amount so computed for each city~~
28 ~~shall be allocated to that city.~~

29 ~~(3) This subdivision applies only to the Counties of~~
30 ~~Fresno, Kings, Merced, San Bernardino, San Joaquin,~~
31 ~~Solano, and Yolo.~~

32 ~~(4) This subdivision shall apply to a particular county~~
33 ~~described in paragraph (3) only if the total amount~~
34 ~~allocated under this paragraph to all of the cities therein~~
35 ~~that provide public safety services is less than the amount~~
36 ~~that would otherwise be allocated to all of those cities~~
37 ~~pursuant to subdivision (a).~~

38 ~~(c) Notwithstanding subdivision (a), the amount in~~
39 ~~the augmentation fund established pursuant to this~~
40 ~~section for the County of Alameda shall be allocated to the~~

~~cities in the County of Alameda that provide public safety services as follows:~~

~~(1) The auditor shall determine an allocation factor for each city within the county, the numerator of which shall be the amount of the revenue shifted from that city to the Educational Revenue Augmentation Fund pursuant to Section 97.3 of the Revenue and Taxation Code for the 1993-94 fiscal year, and the denominator of which shall be the amount of revenue shifted from all cities in the County of Alameda to the Educational Revenue Augmentation Fund pursuant to Section 97.3 of the Revenue and Taxation Code for the 1993-94 fiscal year.~~

~~(2) The auditor shall multiply 6.1 percent of the amount in the augmentation fund established pursuant to this section by the allocation factor determined for each city in paragraph (1). The amount so computed for each city shall be allocated to that city.~~

~~(d) Notwithstanding subdivision (a), for the 1997-98 fiscal year and each fiscal year thereafter, the auditor in the County of San Diego shall allocate to each eligible city in the county that provides public safety services, from the county's Public Safety Augmentation Fund created pursuant to paragraph (1), an amount obtained by multiplying the amount in the Public Safety Augmentation Fund by the allocation factor listed below for each city:~~

Carlsbad	0.3582694
Chula Vista	0.3126700
Coronado	0.1205707
Del Mar	0.0266781
El Cajon	0.1479797
Escondido	0.2874369
Imperial Beach	0.0543447
La Mesa	0.1035164
Lemon Grove	0.0151415
National City	0.0569347
Oceanside	0.6955004
San Diego	3.1831131

1 San Marcos 0.0585130
 2 Vista 0.2269571

3
 4 ~~(e) All moneys in the Public Safety Augmentation~~
 5 ~~Fund not allocated to any city within the county pursuant~~
 6 ~~to subdivision (a), (b), (c), or (d) shall be allocated to the~~
 7 ~~county.~~

8 *SECTION 1. Section 30055 of the Government Code*
 9 *is amended to read:*

10 30055. For the 1996-97 fiscal year and each fiscal year
 11 thereafter, each county shall establish a Public Safety
 12 Augmentation Fund in the county treasury to receive
 13 those revenues allocated to the county pursuant to
 14 Sections 30052 and 30053. Amounts deposited in this fund
 15 shall be expended exclusively to fund public safety
 16 services, and for that purpose shall be allocated among
 17 the county and the cities in the county that provide public
 18 safety services, as follows:

19 ~~(a) For purposes of determining the amounts to be~~
 20 ~~allocated In allocating revenues from the Public Safety~~
 21 ~~Augmentation Fund to cities, the auditor shall, except as~~
 22 ~~otherwise provided in subdivision (b), (c), or (d),~~
 23 ~~multiply the monthly amount allocated to the county~~
 24 ~~pursuant to subdivision (a) of Section 30053 by an~~
 25 ~~allocation factor for each city, calculated as follows:~~

26 ~~(1) The numerator shall be 50 percent of the~~
 27 ~~difference between the amount of ad valorem property~~
 28 ~~tax revenue shifted from that city to the county's~~
 29 ~~Educational Revenue Augmentation Fund pursuant to~~
 30 ~~Section 97.3 of the Revenue and Taxation Code for the~~
 31 ~~1993-94 fiscal year, and the amount of vehicle license fee~~
 32 ~~revenues allocated to the city pursuant to Section 11005.4~~
 33 ~~of the Revenue and Taxation Code for the 1993-94 fiscal~~
 34 ~~year.~~

35 ~~(2) The denominator shall be the amount of ad~~
 36 ~~valorem property tax revenue shifted from the county~~
 37 ~~and all cities in the county to the county's Educational~~
 38 ~~Revenue Augmentation Fund pursuant to Section 97.3 of~~
 39 ~~the Revenue and Taxation Code for the 1993-94 fiscal~~
 40 ~~year, less the amount of vehicle license fee revenues~~

~~allocated to the county and all cities in the county pursuant to Section 11005.4 of the Revenue and Taxation Code for the 1993-94 (d), or (e), comply with all of the following:~~

(1) For the 1997-98 fiscal year and each fiscal year thereafter, the auditor shall allocate to each city from the county's Public Safety Augmentation Fund the same percentage of the total amount of moneys deposited in that fund that was allocated to that city for the 1995-96 fiscal year.

(2) (A) In accordance with the payment schedule set forth in subparagraph (B), the auditor shall, commencing with September 1997, allocate to each city that city's reconciliation amount if, and only if, the reconciliation amount is a positive number. For purposes of this subparagraph, a city's reconciliation amount means the difference between the following amounts:

(i) The amount that would have been allocated to that city from the county's Public Safety Augmentation Fund for the 1996-97 fiscal year, if moneys had been so allocated to that city using the same percentage of the total amount of money deposited in that fund that was allocated to that city for the 1995-96 fiscal year.

(ii) The amount that was in fact allocated from the county's Public Safety Augmentation Fund to that city for the 1996-97 fiscal year.

(B) The auditor shall allocate each city's reconciliation amount to that city in 36 equal and consecutive monthly installments, commencing on September 1, 1997. Each of these installments shall be paid at the same time as the regular monthly allocation made to that city pursuant to this section, and no interest shall be paid on any of these installments. However, if directed by the board of supervisors, the county auditor may expedite payment of the installments.

(b) Notwithstanding subdivision (a), the amount in the augmentation fund established pursuant to this section in each county described in paragraph (3) shall be allocated to the cities in that county that provide public safety services, as follows:

1 (1) The auditor shall determine an allocation factor for
2 each city within the county, the numerator of which shall
3 be the amount of the revenue shifted from that city to the
4 Educational Revenue Augmentation Fund pursuant to
5 Section 97.3 of the Revenue and Taxation Code for the
6 1993–94 fiscal year, and the denominator of which shall be
7 the amount of revenue shifted from all cities in the county
8 to the Educational Revenue Augmentation Fund
9 pursuant to Section 97.3 of the Revenue and Taxation
10 Code for the 1993–94 fiscal year.

11 (2) The auditor shall multiply 5 percent of the amount
12 in the augmentation fund established pursuant to this
13 section by the allocation factor determined for each city
14 in paragraph (1). The amount so computed for each city
15 shall be allocated to that city.

16 (3) This subdivision applies only to the Counties of
17 Fresno, Kings, Merced, San Bernardino, San Joaquin,
18 Solano, and Yolo.

19 (4) This subdivision shall apply to a particular county
20 described in paragraph (3) only if the total amount
21 allocated under this paragraph to all of the cities therein
22 that provide public safety services is less than the amount
23 that would otherwise be allocated to all of those cities
24 pursuant to subdivision (a).

25 (c) Notwithstanding subdivision (a), the amount in
26 the augmentation fund established pursuant to this
27 section for the County of Alameda shall be allocated to the
28 cities in the County of Alameda that provide public safety
29 services as follows:

30 (1) The auditor shall determine an allocation factor for
31 each city within the county, the numerator of which shall
32 be the amount of the revenue shifted from that city to the
33 Educational Revenue Augmentation Fund pursuant to
34 Section 97.3 of the Revenue and Taxation Code for the
35 1993–94 fiscal year, and the denominator of which shall be
36 the amount of revenue shifted from all cities in the
37 County of Alameda to the Educational Revenue
38 Augmentation Fund pursuant to Section 97.3 of the
39 Revenue and Taxation Code for the 1993–94 fiscal year.



(2) The auditor shall multiply 6.1 percent of the amount in the augmentation fund established pursuant to this section by the allocation factor determined for each city in paragraph (1). The amount so computed for each city shall be allocated to that city.

(d) Notwithstanding subdivision (a), for the 1997–98 fiscal year and each fiscal year thereafter, the auditor in the County of San Diego shall allocate to each eligible city in the county that provides public safety services, from the county’s Public Safety Augmentation Fund created pursuant to paragraph (1), an amount obtained by multiplying the amount in the Public Safety Augmentation Fund by the allocation factor listed below for each city:

Carlsbad	0.3582694
Chula Vista	0.3126700
Coronado	0.1205707
Del Mar	0.0266781
El Cajon	0.1479797
Escondido	0.2874369
Imperial Beach	0.0543447
La Mesa	0.1035164
Lemon Grove	0.0151415
National City	0.0569347
Oceanside	0.6955004
San Diego	3.1831131
San Marcos	0.0585130
Vista	0.2269571

~~All moneys~~ Notwithstanding subdivision (a), the amount in the Public Safety Augmentation Fund established pursuant to this section for the County of Los Angeles shall be allocated to each eligible city in the county that provides public safety services as follows:

(1) For the 1997–98 and each fiscal year thereafter, the auditor shall allocate to eligible cities within the county the same percentage share of the augmentation fund that each eligible city received from amounts deposited into the augmentation fund for the 1995–96 fiscal year.

1 (2) For the 1996–97 fiscal year, the auditor shall
2 allocate to eligible cities within the county the amount
3 that would have been allocated to each of those cities had
4 subdivision (a), as it read on January 1, 1997, been applied
5 to amounts deposited into the augmentation fund for the
6 1995–96 fiscal year.

7 (3) Any amount calculated for a city pursuant to
8 paragraph (2) that differs from the amount allocated to
9 a city in the 1995–96 fiscal year shall be known as the
10 “reconciliation amount.”

11 (4) Any positive reconciliation amount calculated for
12 a city pursuant to paragraph (3) shall be allocated to the
13 appropriate city according to the following schedule:

14 (A) For the 1996–97 fiscal year, 50 percent of the
15 reconciliation amount shall be paid within 31 days of the
16 effective date of the act adding this subdivision.

17 (B) For the 1997–98 fiscal year, 25 percent of the
18 reconciliation amount shall be paid, on a monthly basis,
19 in 12 equal installments, with the first payment due July
20 20, 1997. However, any installment that is due prior to the
21 effective date of the act adding this subdivision is due
22 within 31 days of the effective date of the act adding this
23 subdivision if that effective date is after July 20, 1997.

24 (C) For the 1998–99 fiscal year, 25 percent of the
25 reconciliation amount shall be paid in full by September
26 30, 1998.

27 (5) The amount due a city in the fiscal year identified
28 in paragraph (4) shall be offset by the positive growth
29 calculated as follows:

30 (A) For the 1996–97 fiscal year, positive growth is the
31 difference between a city’s share of funds allocated in the
32 1995–96 fiscal year and the amount calculated as if
33 paragraph (1) had been in effect for the 1996–97 fiscal
34 year. If positive growth for the 1996–97 fiscal year cannot
35 be calculated at the time the allocation is made to a city
36 pursuant to subparagraph (A) of paragraph (4), the
37 positive growth for the 1996–97 fiscal year will be treated
38 as an additional offset against payments to that city
39 required pursuant to subparagraph (B) of paragraph (4).

1 (B) For the 1997–98 fiscal year, positive growth is the
2 difference between a city's share of funds that would have
3 been allocated in the 1996–97 fiscal year, had the
4 allocation requirement of paragraph (1) been in effect
5 for the 1996–97 fiscal year, and the amount calculated
6 pursuant to paragraph (1) for the 1997–98 fiscal year.

7 (C) For the 1998–99 fiscal year, positive growth is the
8 difference between a city's share of funds allocated in the
9 1997–98 fiscal year, excluding the reconciliation amount
10 for that year, and the amount calculated pursuant to
11 paragraph (1) for the 1998–99 fiscal year.

12 (6) Reconciliation amounts due in the 1998–99 fiscal
13 year that are paid later than September 30, 1998, shall be
14 subject to interest at the rate of 7 percent calculated from
15 July 1, 1997.

16 (f) All moneys in the Public Safety Augmentation
17 Fund not allocated to any city within the county pursuant
18 to subdivision (a), (b), (c), ~~or~~ (d), or (e) shall be
19 allocated to the county.

20 (g) The amendments made to subdivision (a) by the
21 act adding this subdivision shall be applicable for the
22 1997–98 fiscal year and each fiscal year thereafter.

23 SEC. 2. Notwithstanding Section 17610 of the
24 Government Code, if the Commission on State Mandates
25 determines that this act contains costs mandated by the
26 state, reimbursement to local agencies and school
27 districts for those costs shall be made pursuant to Part 7
28 (commencing with Section 17500) of Division 4 of Title
29 2 of the Government Code. If the statewide cost of the
30 claim for reimbursement does not exceed one million
31 dollars (\$1,000,000), reimbursement shall be made from
32 the State Mandates Claims Fund.

33 Notwithstanding Section 17580 of the Government
34 Code, unless otherwise specified, the provisions of this act
35 shall become operative on the same date that the act
36 takes effect pursuant to the California Constitution.

37 SEC. 3. This act shall become operative only if
38 Assembly Bill 334 is enacted and becomes effective on or
39 before January 1, 1998.

1 SEC. 4. This act is an urgency statute necessary for the
2 immediate preservation of the public peace, health, or
3 safety within the meaning of Article IV of the
4 Constitution and shall go into immediate effect. The facts
5 constituting the necessity are:

6 In order to timely correct an unintended reduction,
7 documented by specific calculations, to that portion of
8 public safety revenues that is allocated in each county in
9 each fiscal year to cities that provide essential public
10 safety services, and to ensure that cities that provide these
11 services receive their full and fair share of public safety
12 revenues, it is necessary that this act take effect
13 immediately.

